

# "HOW SHALL WE EXPAND THE CURRENCY?"

To the Editor of THE ADVOCATE.

I see in my copy of THE ADVOCATE under date of the 3rd inst., an article by one Heller, viz: "How Shall we Best Expand our Currency." This has been my study for a term of years, and I am therefore interested not only as a student of finance but as a full-fledged citizen and an American citizen who would like to see the Patrick Henry principle of independence incorporated as fully into financial affairs, as did he in his time inoculate it into our system of taxation. And there is no good reason that this nation cannot revolutionize as radically today against England's money oppression as did our forefathers against that of taxation without representation. But to get to the question: His first idea, or rather Plumb's, of the \$100,000,000 gold now as deposit for the redemption of something that does not need redeeming, is a good one, and this gold should go into circulation to stimulate the pulse of our trade and commerce of what England within the last few days or since the election seems so much interested, and right here is, I think, a deep laid scheme of capital, both at home and abroad, hatched by our republican party leaders, upon which I would like to dwell at length, but space will not here permit. I will merely say, watch it closely for I think there is good grounds to apprehend the same germ of general ailment existing which was predicted and explained in part by our great leader, Abraham Lincoln, a short time prior to his tragic death, which was doubtless caused by an undercurrent which was then unseen, for the sole purpose of the overthrow of our financial government. And of which God knows we are all mindful today, and many of us to our sorrow.

Now Secondly.—The \$200,000,000 of treasury notes is another good step, but it will require a little more than this to replace the national bank contraction within the last three years.

Third.—The free coinage of silver we all demand which will advance the price of all products without a doubt.

Fourth.—The one billion of treasury notes payable on demand and a legal tender for all debts, both public and private, with no exception I will also readily agree with, as this will give us nearly the amount of circulating medium we had in 1860; but will a great deal more than pay our present indebtedness and right here is where our banker friends will come to the front with the demand. "Where is there anything to redeem with?" Now this is a question with the above theory, that we will have to answer sooner or later and we might just as well beard the lion in his den. Now, if it is right to have a redeeming quality in gold or silver as is claimed to circulate paper money, have we not other values that are just as good? In all probability we have. Now to investigate this we will insist that \$50 per capita, or about that, absolutely necessary to do a cash business with and cancel our present damnable practice of credit, which has been forced upon us, and not by any means through shortage of crops as we have often been told, but by a deep laid scheme. Now to produce this change and follow the same logic that Shylock has been choking us fellows with is the plan. If the medicine is good for us fellows it certainly cannot hurt them, (that is issue on value), but we will lighten the dose and say one-third value, and to begin with we are apprised that we have thirty to fifty billion dollars assessed realty in our improved domain. But to put it on fair grounds that will give us safe margin for shrinkage which

is hardly necessary to speak of, as I think any realty owner could not predict such, as doubtless we are suffering from the last squeeze of which our financial anatomy could be capable of enduring. This ground is amply safe at thirty billion dollars assessed value, which in our state (Kansas) as well as a great many others, is about one-third actual value. Now for the redeeming of these national bank notes, outstanding bonds, etc., and restoring a cash basis it will require \$3,000,000,000 or 10 per cent. of our assessed realty, which is less than 3 per cent. of the actual value. Now, for an illustration, Farmer Jones has a farm the actual value of which is \$3,000, therefore the assessed value is \$1,000. Our government needs 10 per cent. of this assessed wealth as a circulating medium for the people to do business with. We go to Farmer Jones and explain that we will issue ten \$10 bills or their equivalent in greenbacks, putting this money through the proper channels, viz: paying Senators, Representatives, and all government salaried men or women and directly to the old soldiers for pensions. This money is not issued upon Mr. Jones but upon a certain quarter section of land the fee simple title of which is now invested in Mr. Jones, but shall not impair the value of the bills by a change of ownership, and to secure Mr. Jones for this loan they give him a \$100 government bond drawing 2 or 3 per cent. per annum or such a per cent as this amount of currency through supply and demand will regulate, making the redemption of these bonds optional with the government. This will in all probability give us the cheapest money known to the world, and one that cannot be cornered in time of war as was the case in 1860, and in fact back through a decade of all time since finance was known in specie form and is equally known in peace. For if the plunders and ravages of war devastate and destroy improvements there would certainly be a great many times more value left in the bare land for redeeming this money than the 3 per cent issue at our present depressed value. And again when we increase our circulation in this manner we will raise the price of Farmer Jones' farm about 100 per cent; say to \$6,000.00 real value and give us an assessed value of over 100 billion and a real value to our wealth of over 200 billion instead of a bare 30 to 50 billion. Also this will make the paying powers of this man greater and if now in debt his debt could more easily and quickly be liquidated. So by this theory we stimulate our redeeming quality as well as our declining trade and commerce and certainly Farmer Jones will not object very seriously even if the paltry 2 or 3 per cent does not make him rich, and further he holds his bond which can be used as collateral, in case a horse dies in a busy season he does not have to go to his neighbor to use his name as surety or mortgage his last cow. And if the government wishes to keep these bonds in the hands of the original holder, his heirs or assigns, it might be better policy to so arrange them, then our credit is all the time within ourselves. I would like to carry this a little farther as I think it will bear a thorough airing, but I do not want to presume upon your patience too far. Being a democrat fallen from grace in the republican ranks you might think I was tedious and consign my first effort to the waste basket (and which you may do anyway.) And to conclude I wish a friendly remembrance to our friends on Wall street. Methinks I hear Shylock and those fellows who are now in transit from England with 3 million dollars in gold saying treason, treason! But to

again use the words of one of our emancipators from taxation: "If this be treason make the most of it." I believe a system of this kind will be the only step by which we can unrivet the financial chain with which England has us bound to the stake of crucifixion. Something of this character will surely bring about a lasting revolution in finance like that of our forefathers on taxation, which will make us first in commerce as well as first in all things.

A subscriber,  
F. M. RODGERS.

## MORE EQUITABLE METHODS OF TAXATION.

To the Editor of THE ADVOCATE.

I have been much interested in reading a communication from Mr. Edward Russell, under the caption "Unequal Taxation." Mr. Russell very clearly and justly points out the fictitious capitalization or watered stock, and outlines a system of taxation which he believes would have a tendency to cure this growing and oppressive evil. He says:

Now a tax upon every corporation at its organization, in the nature of a license to be paid for its charter, of say \$25 for the first \$10,000, and of one mill for each additional sum up to \$100,000, and one-half of one mill additional up to \$250,000, and one-fourth of a mill in excess thereof. This tax would accomplish two things: it would pay to the state enough to sustain the office of secretary of state, where all such records are kept as the like of corporations; and it would prevent mushroom corporations and reduce the capital stocks of many to something near the real sum proposed to be invested.

This would constitute a tax or license fee of one and three-twentieths per cent. upon a capital of \$100,000—or the sum of \$1,150—and is in effect the application of the graduated tax to increase producing capital.

Now if it were further provided that corporations must register their capital stock and receive their license by the payment of above named tax, annually or once a year; such a law might prove of great value and benefit. But if it is to be collected but once during the lifetime of the corporation, why then it would prove of no avail, as this amount proportioned to five, ten or twenty years of business would be a mere bagatelle and of no weight, force or effect.

If this tax is to be paid but once, at the time the charter is taken out, then in that event those who abandon the agitation in favor of the graduated tax to accept Mr. Russell's plan of taxation or license will find that they have dropped the substance to grasp at the shadow.

Very much such a law as that proposed by Mr. Russell is now in force in the state of Missouri, and it certainly has no perceptible influence in eliminating watered stock or preventing the formation of mushroom corporations, as anyone familiar with Kansas City might testify. What we want is a law that will tax all income producing property eleven mills upon \$1,000 or under, with an increase of one mill upon each \$1,000 up to \$10,000, and then an increase of one mill upon each \$10,000 thereafter. Such a tax to be levied each and every year, and levied upon a cumulative valuation, so that each firm or corporation members of a trust or combine, will have to pay the rate of tax applicable to the combined capital of the trust or combine.

Such a tax as this will eliminate watered stock and all species of fictitious capitalization. It will also annihilate trusts and combines and destroy land monopoly and make the holders of vacant land awfully tired. It will equalize all opportunities, profits and localities, and prevent the formation of colossal and aggressive corporations. Besides this, it will force the wealth of the nation to bear the burdens of its government.

GEO. C. WARD.

Kansas City, Mo.

Graham's shorthand, Topeka Bus. Coll.

## CORRESPONDENCE.

MERIDEN, KANSAS, Dec. 30th, 1890.

EDITOR ADVOCATE.—The Oak Grove Alliance, No 112, has been holding their meetings every Saturday night. At our last meeting we resolved to have every alternate meeting an open meeting. I think it would be a great improvement for every alliance in the state to adopt that rule. Try it brothers. It is not just the members of the alliance that ought to be educated, but some of those John J. Ingalls fellows that have been getting their education from the hired Hessians of the money prince. Throw open your doors, invite them in to discuss the financial questions of the government. Take up the St. Louis platform, discuss a plank each night. Learn them that the decalogue and the golden rule have a place in a political campaign. Educate and agitate. It was by education we gained our last victory. It is by education we will gain our next in 1892. We must educate or we must perish.

Yours fraternally,  
JOHN P. WOOD.

ASTRIM, Kan., December 1st, 1890.

EDITOR ADVOCATE.—I like to suggest to you an editorial for an alliance membership by simply stating what our union (W. Albano No. 390) has started in to do. Several of our members volunteered to donate quite a number of miscellaneous standard books as a nucleus for a library, while the school directors will furnish the material for a suitable book case. We intend to organize a co-operative reading club and jointly subscribe for the leading reform periodicals, and exchange reading matter. We meet every other Friday evening on alliance business, and the other intervening Friday evening we shall devote to regular alliance socials, have old and young turn out and have general social talks, same interspersed with music, singing and suitable speaking, and thus spend interesting evenings long to be remembered by old and young. I think if this plan was adopted generally and carried out, it would make us many new members and many extra votes for 1892. We must extend our sociability and become dominating by setting good examples. I am pleased to see your several articles on co operation. This is a subject our people need reading up on for the many promises it has, and our main subscriptions will be for periodicals of that kind in our local club. Co-operation is one of our main hopes to fight monopolies, and we must get our constituents more familiar with its principles. These alliance socials in each county should be so timed that near unions would not meet on the same evening, affording neighboring members an opportunity to exchange visits, and especially those able to do public speaking try to be present and give encouraging words when they can. Every little encouragement is desired. Exchanging visits would be one of the interesting and social features. So please give these points attention in the ADVOCATE as you think they deserve.

Yours fraternally,  
I. B. WERNER.

## Beautiful Oklahoma.

Oklahoma has been placed under a regular form of government, and good land titles are thereby assured. The Iowa reservation, joining it on the east, will shortly be opened for settlement. This will bring about an increased immigration. Guthrie and Oklahoma City, the two largest cities in the new territory, are reached only via the Santa Fe route. Norman, Edmond, Alfred and Purcell, all thriving towns, are also local points on the Santa Fe line. In traveling to Oklahoma for sight-seeing or business, be sure to buy tickets via the Santa Fe route, the only railroad passing entirely through Oklahoma from north to south. Two daily express trains each way. Write for Oklahoma folder to Geo. T. Nicholson, G. P. & T. A., A. T. & S. F. R. R., Topeka.